

DISCLAIMER

This electronic version of an SCC order is for informational purposes only and is not an official document of the Commission. An official copy may be obtained from the [Clerk of the Commission, Document Control Center](#).

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, MARCH 12, 1999

APPLICATION OF

CENTRAL TELEPHONE COMPANY OF VIRGINIA

CASE NO. PUC990010

For approval of tariff revisions
to offer Sprint Solutions, a new
residential service packaged offering

APPLICATION OF

UNITED TELEPHONE-SOUTHEAST, INC.

CASE NO. PUC990011

For approval of tariff revisions
to offer Sprint Solutions, a new
residential service packaged offering

ORDER GRANTING INTERIM APPROVAL OF TARIFF REVISIONS

On January 15, 1999, Central Telephone Company of Virginia ("Centel") and United Telephone-Southeast, Inc. ("United"), collectively referred to as "Applicants", filed proposed revisions to their general subscriber services tariffs in the above-captioned cases. The Applicants' proposed tariff offering is Sprint Solutions, which consists of four separate packages available as optional residential service enrollment plans. Sprint Solutions packages combine local exchange service, a Custom Calling Package of features and 60 minutes of local toll (intraLATA) for one flat monthly rate. On February 9, 1999, the Commission Staff filed its Motion to Consolidate Cases and Suspend Tariffs and to Prescribe Notice and Invite Comments.

Thereafter, Applicants filed their Joint Response To the Staff's Motion on March 3, 1999.

The Commission, having considered Applicants' proposed tariff revisions, the pleadings, applicable law and the Alternative Regulatory Plan ("Plan") for Applicants, is of the opinion that the cases should be consolidated and that interim approval should be granted to Applicants' proposed revisions to their general subscriber services tariffs. Accordingly, Applicants are authorized, on an interim basis, to provide the proposed Sprint Solutions packaged services, through December 31, 1999. This interim time period should allow Centel and United to file proposed changes to their Plan, consistent with our findings below, if either of the Applicants intend to continue offering these packaged services beyond 1999.

Centel and United have proposed that Sprint Solutions residential service packaged offerings be categorized as a discretionary service under their Plan. However, the Plan, as approved on October 18, 1994, in Case No. PUC930036, provides that individual services must be categorized as competitive, discretionary, or as basic local exchange telephone service ("BLETS"). The Plan does not allow individual services from among the three categories to be packaged as a separate service and classified under a single category. Distinct categories for all services are necessary because separate and distinct pricing

indexes have been assigned to the categories of discretionary services and BLETS. Pricing freedom for competitive services is permitted under the Plan.

The Commission recognizes that Applicants have proposed Sprint Solutions as a response to what they characterize as a robust competition in their intraLATA toll markets. The Commission does not want to discourage competitive responses. Applicants have indicated that in the pricing of Sprint Solutions, the component BLETS and discretionary services are effectively priced at their current tariffed rates. All of the package discount is applied to the competitive intraLATA toll service. We have no reason to believe that such discounting would violate Paragraph 12.B. of the Applicants' Plan during the interim period the Sprint Solutions packages are to be offered.

While the Commission finds that the offering in the Sprint Solutions packages is not in conflict with Applicants' Plan at this time, we conclude that the regulatory treatment of such packaged offerings is not specifically addressed under the Plan. Therefore, if Applicants intend to offer these Sprint Solutions packaged offerings beyond 1999 or offer additional similar types of packages, then they must file to amend their Plan in a separately docketed case for this Commission's approval. Applicants' proposed changes to the Plan should address the appropriate regulatory treatment and any competitive safeguard

standards which should apply to the provision of service packages.

Because local exchange service and intraLATA toll service are packaged in Sprint Solutions, Centel and United must provide sufficient detail on customer bills for Sprint Solutions to comply with the Commission's Rules for Disconnection of Local Exchange Telephone Service (20 VAC 5-400-151), as adopted on February 26, 1999, in Case No. PUC970113 and to become effective July 1, 1999. Consistent with 20 VAC 5-400-151.E., partial payments for Sprint Solutions shall be credited first to BLETS at the applicable tariffed rate, with any remainder credited next to custom calling services at the tariffed rate and, finally, to the intraLATA toll portion of Sprint Solutions.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) The Applications of Centel and United for approval of tariff revisions to offer Sprint Solutions is hereby approved, on an interim basis, and said interim approval shall expire December 31, 1999, unless sooner ordered by this Commission.

(2) Centel and United are hereby granted leave to file proposed changes to their Plan, consistent with the findings above.

(3) Centel and United are hereby directed to provide sufficient detail on customer bills and to apply customer payments for Sprint Solutions in compliance with the findings of

this Order and the Commission's Rules for Disconnection of Local Exchange Telephone Service, 20 VAC 5-400-151.